
**PROFIT GUIDANCE ON THE UNAUDITED FINANCIAL RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

1. The Board of Directors (the “**Board**”) of Far East Orchard Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following announcements issued by the Company on the impact of COVID-19 on the Group’s operations:
 - A. 8 May 2020: Business Update for the Quarter ended 31 March 2020
 - B. 26 June 2020: Responses to Shareholders on Substantial & Relevant Questions
 - C. 26 June 2020: Presentation slides presented at the 52nd AGM
 - D. 22 July 2020: Profit Guidance on the Unaudited Financial Results of the Group for the half year ended 30 June 2020 (“**1H FY20**”)
 - E. 6 August 2020: Second Quarter and/or Half Yearly Results – which reflected a net loss of S\$5.96 million for the Group for 1H FY20
 - F. 9 November 2020: Business Performance Update for the nine-month period ended 30 September 2020

2. Following a review of unaudited financial results of the Group for the full year ended 31 December 2020 (“**FY2020**”), the Board wishes to advise shareholders that the prolonged COVID-19 pandemic continues to adversely impact the Group’s business and has contributed to losses at the Group’s hospitality business and share of the losses from hospitality joint ventures in Australia and Europe. Additionally, the Group is impacted by the following, and expects to report a net loss for FY2020:
 - A. share of revaluation losses on certain hotel properties and impairment charges on management rights from hospitality joint ventures in Australia and Europe;
 - B. revaluation losses on certain hospitality assets in Australia and Malaysia; and
 - C. impairment on goodwill arising from its hospitality property ownership business in Australia.

The Group has sufficient liquidity to meet its operational needs and financial commitments and will continue to exercise prudent balance sheet management. As at 30 September 2020, it had a healthy cash balance of S\$276.1 million, compared to S\$257.4 million as at 31 December 2019.

3. The Group is still in the process of finalising the unaudited financial results for FY2020. Further details of the Group’s financial performance will be disclosed when the Company announces its unaudited financial results of the Group for FY2020 on or about 25 February 2021.

4. **The Board wishes to advise shareholders and potential investors of the Company to exercise caution when dealing or trading in the securities/shares of the Company.**

By Order of the Board

Phua Siyu Audrey
Company Secretary
11 February 2021